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UNCLAS SECTION 01 OF 03 MASERU 000321

SIPDIS

AIDAC

DEPT FOR E, AF, AND EB  
PLEASE PASS TO MCC  
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E.O. 12958: N/A

TAGS: [EAID](#) [ETRD](#) [PREL](#) [LT](#) [MCC](#)

SUBJECT: MILLENNIUM CHALLENGE CORPORATION INITIAL VISIT TO LESOTHO

**¶11. SUMMARY:** The Millennium Challenge Corporation team of Clay Lowery, Tom Briggs and Wesley Wilson paid a very successful initial visit to Lesotho May 26-28. Over the course of two and a half days, they met with the Prime Minister, nearly the entire Cabinet, almost all of the Principal Secretaries, representatives of international donors and the business, NGO and academic communities, and took a brief tour of the industrial areas around Maseru along with a bit of rural Lesotho. The team concluded with a press conference for the local media. Perhaps half of their interlocutors fully understood the radical departure from traditional foreign aid that the MCA represents. Minister of Finance Tim Thahane, the GOL contact point for the MCA, expects to have Lesotho's proposal to the MCA by late August or early September. END SUMMARY.

**¶12.** The Government of Lesotho enthusiastically welcomed the MCC team to the Mountain Kingdom. Several of the key ministers, including Finance Minister Thahane and Foreign Minister Tsekoe, adjusted their travel schedules to return early from overseas to meet with the team. The format of the meetings was essentially the same: the team briefly introduced the history and concept of the MCC (including the key fact that funding is not/not guaranteed), followed by questions and answers. It was clear from the tenor of the comments and questions that about half of the interlocutors understood immediately how the MCC differed from other foreign aid programs. Indeed, the most difficult concept for most to grasp was that the U.S. was not interested in dictating how the program would be run within Lesotho. For many, used to donors telling them what they needed and how to do it, the guidance of "make the case for how your program will aid economic growth" was unsettlingly vague.

**¶13.** Prime Minister Mosisili took the unusual step of inviting the team to meet with him in his offices. Flanked by the Deputy Prime Minister and Ministers of Foreign Affairs and Finance, the PM welcomed the opportunity presented by the MCA and spoke in general terms about investing in infrastructure, health, education and agriculture. He noted how "demeaning" it is to be forced to go to the international community for charity to feed his people, and thanked the U.S. for the chance to break the chains of dependency.

**¶14.** At the reception for the team at the Ambassador's residence, Minister of Finance Thahane told the Ambassador that he planned to have a proposal ready for the MCC by late August or early September. That would give the GOL time to hold the necessary consultations with the business, academic and NGO communities to produce a well conceived plan.

**¶15. COMMENT:** The GOL will have two primary challenges in putting together a viable proposal for the MCC. The first will be winnowing down all of the country's competing priorities into two or three key areas. Thahane will have his hands full dissuading his colleagues from setting forth a shopping list of pet projects, and the Prime Minister may have to step in at the end. The second will be to run a credible consultation process. The academic community in particular was inclined to simply sit back and wait for the government to come to them (or for the Embassy to force the government into a specific model of consultation). On a more encouraging note, however, the NGO representatives asked to continue using an embassy meeting room so that they could organize themselves on how they would interact with the government. If nothing else, the MCC model may force a bit more initiative into the local psychology. END COMMENT.

**¶16. List of Participants:**

CABINET MEETING

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Deputy Prime Minister and Minister of Education Archibald Lehohla  
Minister of Agriculture and Food Security Daniel Phororo  
Minister of Finance and Development Planning Tim Thahane  
Minister of Forestry and Land Reclamation Lincon 'Mokose  
Minister of Local Government Ponts'o Sekatle  
Minister of Tourism, Environment and Culture Lebohang Nts'inyi  
Minister of Home Affairs Tom Thabane  
Minister of Foreign Affairs Ken Tsekoe

Minister of Natural Resources Monyane Moleleki  
Minister of Gender, Youth, Sports and Recreation 'Mathabiso  
Lepono  
Minister of Justice Moses Masemene  
Assistant Minister of Agriculture Molise Ts'eole  
Assistant Minister of Trade Mothetjoa Metsing  
Assistant Minister of Justice Mpeo Mahase

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Attorney General Fine Maema

(NOTE: Minister of Trade Malie, Minister of Health Phooko and  
Minister of Communications Khaketla were all out of the country.)

PRINCIPAL SECRETARIES MEETING

Tlohang Sekhamane, Government Secretary (the most senior civil servant)  
DPS Foreign Affairs T.P. Lekhela  
PS Education Nsebe Kokome  
PS Trade and Industry David Rantekoa  
PS Finance Dr. Moeketsi Majoro  
PS for Gender, Youth and Sport Tebello Metsing  
PS Employment and Labour Limpho Mandoro  
PS Agriculture 'Mamoruti Malie  
PS Justice Paul Motholo  
PS Cabinet  
PS Home Affairs  
PS Public Works

(Note: in addition, there were another 20 office directors from various ministries present in the meeting.)

DONOR MEETING

Ms. Scholastica Kimaryo, Resident Representative, United Nations  
Mr. Frank Martin, High Commissioner of the United Kingdom  
Mr. Albert Warnich, Deputy High Commissioner of the Republic of South Africa  
Ms. Maria Rosa de Paolis, Delegation of the European Union  
Mr. Bill Nolan, Irish Consul General  
Ms. Paula Nolan, Development Corporation Ireland  
Ms. Kirsten Roettcher, Coordinator, GTZ  
Ms. Barbara Nkoala, Honorary Consul of Canada  
Mr. Heinz Fiebig, Honorary Consul of Germany  
Mr. Jean-Michel Freville, Honorary Consul of France  
Ms. Annemarie Fonseca, Deputy Representative, UNICEF  
Dr. Castro Camarada, Representative, FAO  
Mr. Techeste Zergaber, Representative, WFP  
Mr. Edmund Motseki, Operations Officer, World Bank  
Mr. Ernest Fauster, Deputy Representative, UNDP  
Mr. Joe Feeney, UNDP  
Mr. Mads Lofvall, WFP

NGO MEETING

Mrs. Marge Stitouris, CARE Lesotho.  
Mr. Thuso Green, Sechaba Consultants.  
Mr. Winstone Nkhoma, World Vision  
Mr. Seabata Motsamai, Lesotho Council of NGOs  
Ms. Mphonyane Mofokeng, Save the Children  
Ms. Lisa Brennan, Habitat for Humanity  
Ms. Keiso Matashane, Women and Law in Southern Africa.  
Kellogg Foundation - Sehoai Santho  
CARE Lesotho - Peete Lerotholi  
Mr. Tseliso Ramochela, Lesotho Federation of Democratic Unions.  
Mr. Macaefa Billy, Factory Workers' Union.  
Daniel Maraisane, Lesotho Clothing and Allied Workers' Union.  
Cpt. Sandra Welch, Salvation Army  
Ms. Stacey Dlamini, Coordinator, Salvation Army  
Mr. S.V. Montsi, Lesotho National Dairy Board

PRIVATE SECTOR MEETING

Ms. Jennifer Chen, Textiles Exporters' Association.  
Mr. Thabo Makeka, Lesotho Employers' Association.  
Deputy Governor, Central Bank of Lesotho.  
Mr. Dave Allan, Standard Bank.  
Mr. Alubani Sibanda, Standard Bank  
Mr. Koena Phafane, Lesotho Chamber of Commerce and Industry.  
Mr. T. Thokoa, Lesotho Chamber of Commerce  
Mr. Dave Peterson, Maluti Mountain Brewery.  
Mr. Chaka Ntsane, Vice Chairman TEMO Holdings (agribusiness)  
Mr. Khalikane, TEMO Holdings  
Mr. Joshua Nyoni, TEMO Holdings  
Mr. Phallang Mokhesi, BEDCO (Basotho Economic Development Corporation)  
Mrs. Mathabo Klass, LNDC (Lesotho National Development Corporation)  
Mrs. Felleng Makeka, LTDC (Lesotho Tourism Development Corporation)  
Mr. Adri Van der Veer, Telecom Lesotho

Mr. Simon Mhaville, Lesotho Electricity Corporation.  
Mrs. Ntsoaki, Lesotho Unit Trust.

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Mr. Brian McCarthy, Security Unlimited (and Employers  
Federation)  
Dr. Ramatlateng, Impact Mafeteng

17. The MCC team did not have an opportunity to clear this cable.

LOFTIS